

Australian Childcare Alliance SA Submission to the Royal Commission 3-Year-Old Preschool

About the Australian Childcare Alliance SA

The Australian Childcare Alliance is a not-for-profit organisation run by volunteers & representing the private sector providers of Long Day Care in South Australia. We have 122 association member long day care centres in SA. We speak on behalf of the 15,000 SA families that attend our centres and we have their interests and needs at the heart of all that we do. ACA SA is fully affiliated with ACA National which represents 3000 service providers nationally providing long day care to 360,000 families.

We wish to work closely and constructively with the SA Government in the best interests of the children and families that attend our centres and welcome this opportunity to provide input to the Royal Commission with respect to the provision of universal 3-year-old preschool.

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Guiding Questions from the Royal Commission for 3-Year-Olds

• What are the aims of universal 3-year-old preschool and what amount of early learning entitlement

- 15 hours a week for 40 weeks a year pre-school for 3-year-olds focused on ECT led early education with a balance between intentional teaching and play based learning.
- Develop a specific curriculum to provide the platform for teaching this age group.
- Objective is to enhance the learning and wellbeing for 3-year-old children in all development domains and for transition to formal schooling and overcoming children being behind in educational domains at school.
- To universally include all 3-year-olds from all socio-economic backgrounds
- The facilities provided should provide wrap around early education and care and include extended care hours to enable parents to work.
- Implementation should be ASAP and seek the most effective and cost-efficient way to gain access to existing facilities and teaching staff and universal access for 3-year-olds in the shortest time. 62.8% of 3-year-olds in SA already attend LDC where the facilities are already in place thus saving taxpayer money by avoiding duplication. This saving can be used to directly support children.

• How should 3-year-old preschool differ from 4-year-old-preschool and from that currently offered in centre-based care

- Providing an environment and curriculum that meets the needs of their earlier stage of cognitive development. The children must be supported and guided for their social and emotional learning and are best served by having predictable routines, reliable ECTs & Educators, and consistent familiar surroundings.
- 3-year-old children are often still in the early stages of reliable toileting competence and often requiring clothing changes and assistance in the bathroom area. They often still need a sleep in the afternoons and when soiled may need to be bathed. Facilities must be provided for safe sleeping and bathing. Children of this age also require nutritious meals & snacks and close monitoring of their hydration.
- 3-year-old children require a play-based focus to enhance their learning, social competence and motor control with carefully considered elements of intentional teaching to support their growing independence, language acquisition and comprehension of mathematical connections. 3-year-old children should receive a program based on the outcomes of the EYLF. The right environment prepared with relevant learning curriculum materials will provide a three-year-old with all the foundation skills that the EYLF requires. We reference the Victorian 3-year-old teaching toolkit which has been specifically developed for this age group and something similar is essential in SA.
- Communication with the parents of 3-year-olds is typically quite extensive during this stage as the child's growth, interests, and capabilities blossom and parents are eager to share in their child's progress. Educators working with 3-year-old children must be prepared to involve the parents in their child's journey daily.
- A focus for 3-year-olds is to be supported to adjust to a predictable routine, become independent, socially confident and to collaborate with other young children to share ideas and understanding to develop reasoning and social competence. Skills of resilience and

cooperative play are tested and developed during this stage and guidance should be provided for learning these essential skills.

- We believe that a centre-based environment is the optimal place to nurture the social and emotional growth of three-year old children. The sleep, rest and toileting facilities cater well to the child of this age as do the on-site kitchen facilities. The child can access a longer day of care if required in a familiar place with familiar staff and friends rather than fragmented arrangements of education and care. 3-year-olds in long day care typically have been experiencing that environment since they were babies and are settled, confident, happy, and ready to learn. Moving them out of long day care into an external pre-school environment at this early stage may disrupt this continuity of calmness and confidence and readiness to absorb new early learning.
- A program of learning and care for a three-year-old differs from that provided to a four-year-old in that it should be heavily weighted on the social and emotional development of the child. It is essential that a child of this age develops skills of independence, self-help, and self-regulation if they are to have the capacity to develop social competence as part of a community.
- 62.8% of 3-year-olds already attend LDC in SA

• **What does high quality 3-year-old early learning look like & how much time is optimal**

- A specific curriculum designed for 3-year-olds should have a balance between intentional teaching of early concepts & play-based learning.
- The learning environment should support the child to develop self-help skills, concentration, and an interest in discovery. Early concepts of numeracy, such as problem solving, measuring, estimating, noticing patterns and early counting can be introduced through intentional teaching using games and other play experiences. Language and literacy can similarly be introduced through music, stories, and games.
- Children of this age should experience at least 15 hours per week in an environment specifically prepared for the developmental needs of their age. This allows sufficient time for the child to become familiar with the educators, the routines, the environment and their classmates. Two days a week allows for follow up of projects started and for new skills to be repeated. Children who require extended care beyond 7.5 hours a day should not have to deal with fragmented arrangements and change care facilities to access additional hours. Centre-based services are ideal for accommodating a three-year-old program and any additional hours the child may need to spend in a familiar environment at the centre.
- 62.8% of 3-year-olds already attend LDC in SA
- An Early Childhood Teacher led program supported by Educators working with three-year-old children should be skilled with the pedagogical knowledge required to understand this extremely important time of brain development. Childcare educators may well have the most experience at supporting the emotional and care needs of the child. This must also be balanced with the skill to nurture and support the emotional needs of children who are still exploring their relationship with others.
- An optimal program for three-year-olds would include the ability for professional support programs to be provided within the service for early detection of additional needs and support. Health specialists are needed for areas such as speech pathology, hearing and sight testing, dental examination, or development delay and behaviour issues.

• **Delivery of quality to different cohorts of children**

- Children in their third year of life will experience developmental milestones at varying times. It is critical that a program for this age group is individualised to ensure that a child's readiness is assessed correctly and that every child is supported according to their unique ability. This is where pedagogical knowledge is vital in understanding how a child's responses, concentration and behaviour can be shaped by their background, their family circumstances. Programs of learning should be flexible and reflect each child's circumstances to ensure every child has the necessary scaffolding to reach their full potential.
- Children with diverse physical or intellectual needs, and children from varying cultures may require additional support and focus to ensure they receive the educational and care that meets their differing needs.

- **Innovation in programming and delivery**

- It is essential that a curriculum be developed specifically for the 3-year-old program which is a balance between intentional teaching & play based learning. A non-competitive learning environment should be established to encourage children to work cooperatively in group situations and also alone. Learning opportunities should promote both indoor and outdoor exploration.
- ECTs & Educators involved in the 3-year-old program must have the pedagogical knowledge to deliver a program designed to cater for the emerging interests of children of this age.

- **Workforce competencies required to deliver 3-year-old program**

- Specialised training and focus for ECTs preferably in a birth-to-5 degree with all placement time in birth to 5 LDCs and Pre-Kindergartens to gain deep insights into the specialised knowledge and curriculum & approach essential to teaching at these age levels.
- Training in delivering newly developed specialised 3-year-old curriculum in a play-based environment. Victoria have developed a comprehensive curriculum specifically for three-year-olds that should be considered for SA.
- Acknowledgement of the incredibly important role that Diploma and Certificate level educators have in supporting children's emotional well-being and care needs. This is as important as the provision of curriculum and these educators are an essential part of the three-year-old program.

- **Interventions required to improve workforce supply in SA**

- Recognition by the Teachers Registration Board in SA of existing Early Childhood Degrees birth to 5 already approved by ACECQA and support for the development of a birth-to-5 degree at Adelaide SA University.
- Provide scholarships and incentives for ECTS.
- Regional scholarships
- Government supported increased pay levels for childcare workers.
- Subsidised Cert 111/Diploma/ECT Degree courses for teachers and Educators
- Streamlined and cheaper access for migrant educators to access working visas.
- Broader recognition of overseas qualifications

- **What administrative changes are needed to support 3-year-old pre-school**

- The Education Department in developing its early years program should comprehensively include the Long Day Care Sector where so many children are already receiving quality care and education.
- Access to training and professional development should be available to all educators without barriers of government versus non-government provision of services.
- Appointment by the Education Department of regional support staff to enable the program at LDCs and Pre-Schools including coordinating support for special needs children.

• **What are the strengths of the current SA government admin arrangements for 4-year-old pre-school**

- The low cost to families
- The ability of parents to choose where they spend their Universal Access funding.
- Subsidisation of ECT and staff costs by the Education Department
- Extending a matching pre-school subsidy to parents of children attending LDC & who are 3 to 4 years old to provide a comprehensive pre-school program will extend the benefit to a much wider range of children while providing complete work hours flexibility to parents.
- 62.8% of 3-year-olds already attend LDC in SA

• **Who should be primarily responsible for paying for 3-year-old preschool & who should share**

- Parents should make a contribution in both a government pre-school and LDC environments.
- The SA Government should make an equal contribution to the cost to parents of providing a 3-year-old pre-school program in LDC setting. This could be done in LDC by providing a direct SA Government subsidy for 15 hours a week which must be credited by the LDCs to parent's gap fees for 3-year-olds.
- In LDC, SA Government will need to get agreement from the Commonwealth for subsidising the parents gap fees after Childcare Subsidy is paid. This has already been agreed between the Victorian and Commonwealth Governments and should be easily extended to SA.
- In addition, the Commonwealth have already agreed to increase CCS payments to families from July 2023 to reduce the cost of care and education in LDC which will broaden access to Long Day Care.
- We should also seek to get the first two steps in the Activity Test removed by the Commonwealth to open the door to a wider range of families, many from lower socio-economic circumstance, into CCS subsidised care. This will increase 3-year-old enrolments in LDC.

Supplementary Questions for us to Consider.

• **Anticipated demand for 3-year-old preschool**

- We know that already 62.8% of 3-year-olds attend Long Day Care & including a State Government pre-school subsidy to reduce the gap fee paid by parents after CCS will encourage further enrolments – particularly given extended opening hours provided to working parents. The increase in CCS support from the Commonwealth from July 2023 will further increase 3-year-old enrolments. If the Commonwealth reduces the Activity Test the door will further open to enrolments, particularly among the lower socio-economic families. We predict if these factors are all introduced, 3-year-old enrolments in Long Day Care could increase to 80%

- We know that Long Day Care centres have capacity to accept these additional enrolments in most locations. New centres are being built at 3 times the birth rate and many existing centres are experiencing low enrolments around 60% of licensed capacity or less.
- The most concerning factor affecting implementation is the shortage of trained educators and early childhood teachers. This is an Australia wide problem that must be addressed at both a national and state level. Introduction of a birth to 5 ECT degree in SA and recognition of that qualification by the SA Teachers Registration Board as is the case interstate is an essential and urgent step.

• **Conversion of existing vacancies in kindergartens and long day care into 3-year-old Preschool**

- There is no conversion barrier to accept more 3-year-olds immediately into Long Day Care as the facilities and capacity already exists together with new centres providing additional capacity. Additional ECT Staff and Educators may be required.
- Conversely, Government Kindergartens will require additional facilities or conversion of existing facilities to create additional capacity for 3-year-olds including rest and sleep areas as well as toileting and bathing facilities.
- The 3-year-old program in pre-school will require a different outcome emphasis from the curriculum and programming.
- 63.4% of 3-year-olds already attend LDC in SA
- The ECTs will need to be trained and willing to participate in the care moments of the 3-year-olds day including nappy changes and toileting mishaps.
- In LDC, we envisage 15 hours a week for 3-year-olds pre-school delivered over 2 days.
- In LDC 3-year -old preschool can be available over 5 days if required.
- Mandatory ratio of 1:11 can be achieved if needed by supplementing additional numbers of qualified educators to support the ECT running the pre-school program.
- However, in Government Kindergartens there will be a need to create separate additional capacity as the 3-year-olds will require an entirely different curriculum & program & care environment to 4-year-olds even if there is excess capacity & additional ECTs and other qualified staff will be required for the 3-year-olds.

• **How many hours can be delivered in a day**

- To access 15 hours a week, children generally need to be enrolled for two days per week. So the 3-year-old preschool program can be delivered for two 7.5 hour days in the week. This is achievable.
- In LDC services, the 3-year-old program can be delivered during two 7.5-hour days in a week. Additional care hours are then available as an extension to the 7.5 hours per day to facilitate parents working hours.
- Alternatively, the program can be based on a 5 hour per day model spread over 3 days to provide another option to add flexibility to the decision making.

• **Inputs costing**

- The major input in LDC could be the additional ECT staff if required. Many LDC already employ 2 ECTs and may well be able to divert one of the ECTs to the 3-year-old pre-school program. Otherwise, it will be necessary to employ another ECT and there is scarcity across Australia.

- In all other respects, LDC Centres have the full physical facilities to meet the special care needs of this age group including providing extended hours of high quality care to enable parents to work.
- On the other hand, Government Kindergartens will need to employ an additional ECT and additional Cert III or Diploma staff and there is an Australia wide shortage, estimated at 39,000, including 9,000 ECTs
- Government kindergarten face major expense to provide additional facilities to accommodate the 3-year-olds program and create the special facilities for care including toileting/nappy changing, food, sleep facilities and out of hours care to support parents work commitments.

- **Impacts on facility costs**

- There are no additional facilities required in LDC Centres to accommodate the 3-year-old program and 62.8% of 3-year-olds are already attending. Any additional enrolments will increase utilisation of existing facilities which will have a positive impact on facility costs.
- Government Kindergartens will have major expenditure on providing additional buildings and facilities and support equipment for 3-year-olds.

- **Key tipping points for profitability of long day care providers e.g. the proportion of under 2 enrolments to over 2 enrolments**

- Centres cross subsidise the cost of care for children in the under 3 age groups, where ratios of staff to children are 1:4 & 1:5, with revenue from the 3-5 age group where the mandated ratio is 1:11. Without this cross subsidisation, fees for the under 3 age groups would be much higher and may be unaffordable for many parents forcing them out of work.
- LDC Centres need to maintain a minimum of 60% of enrolments as 3-to 5-year-olds to be able to cross subsidise the cost of care for under 3s to a level that is affordable for parents of under 3s.
- Fixed costs due to mandatory staffing ratios and rent and services creates a minimum break-even occupancy of 70% in LDC. The Productivity Commission have supported this. Currently many centres in SA are struggling to achieve 70%
- In addition, privately operated LDC services must pay payroll tax and other taxes which are not applied to Government or Community operated centres. This is a large additional burden that must be factored into the viability of privately operated centres.
- Payroll costs are 65-70% of turnover and dominates the cost of running a Long Day Care Centre. Because ratios are mandated, there is little opportunity to increase productivity.
- There is a major shortage of trained staff in South Australia. Across Australia it is estimated that we are short 39,000 staff, including 8,000 Early Childhood Teachers and other Educators to staff our centres.
- The retention of 3–5-year-olds in Long Day Care is a vital element in Long Day Care Centres being able to survive and provide care for children of all age groups enabling parents to work. Transferring 3-year-old enrolments away from LDC to government kindergartens for pre-school will have a profound negative impact on the financial viability of LDC centres.

- **Starting Ages & Ratios in SA**

- The legal ratio for 3- to 5-year-olds in SA is 1:11
- If your child turns 5 before 1 May in that year, they can start school at the beginning of that year.

- From 2023 children who turn 4 years old before 1 May are eligible to start preschool at the beginning of the year.
- If the same basis is applied, children who turn 3 years old before the 1 May could be eligible to start pre-school at the beginning of the year. This would mean these children could be as young as 2 years & 8 months commencing pre-school and accessing out of hours care. The legal ratio for care of children who are under 3 is 1:5, not 1:11 and additional qualified staff would have to be applied accordingly.
- Mid-year intake for Government Preschools in SA will be introduced from 2023 for children turning 4 years old from 1 May to 31 October 2023. If it is intended to apply mid-year intake to 3-year-olds, higher ratios will again be required for any children under 3.

● **Features of Current Long Day Care in SA**

- 62.8% of 3-year-old children already attend long day care in SA.
- Parents receive childcare subsidy if they meet work activity and means test criteria.
- LDC centres are open 12 hours a day Monday to Friday to provide flexible support for working parents including essential workers.
- The mandated staff to child ratio for 3- & 4-year-olds is 1:11, for 2- & 3-year-olds is 1:5 & for under 2s is 1:4.
- Children are provided with hot nutritious meals and morning and afternoon snacks.
- Toilet training for 3-year-olds is part of the care as is nappy changing facilities for those children not yet trained or experiencing accidental loss of control.
- Beds and sleep/ relaxation space & time is provided for young children including 3-year-olds.
- 3-year-olds receive early learning guided by the Early Years Learning Program and play-based learning principals and learn essential social skills and concentration abilities to facilitate their learning and behaviour
- The mandated staffing of Educators for Long Day Care Centres with 60 or more children attending includes two 4-year graduate Early Childhood Teachers, 50% of staff Diploma qualified and the remainder Certificate III qualified. Each centre has a trained and experienced Education Leader to support Educators and the learning program offered to all children. Each centre has a full time Director ensuring high quality care and education for children and compliance with the NQF and National Law and Regulations. Every effort is made to provide continuity of staff in the respective age group rooms.
- Each room leader, supported by the Director and the Education Leader has a learning program and conducts recorded observations of children's learning and development which is shared with parents.
- Parents are kept informed daily of their child's development and progress and have access to the children's records and the room program is displayed for all to see.
- Each age group has their own discrete room and outside yard area which ensures that their play and equipment is safely suited to their age group.
- Entry to LDCs is controlled by security access codes and identification of approved delivery and pickup family members to ensure that children are safe and enable parents to go to work without having security concerns.
- 4-Year-old Pre-kindy children receive a full pre-school school ready program delivered by the Early Childhood Teachers and includes access to Universal Access funding.

What Could be Done to Further lift the Early Education & Care of 3-Year-Olds in LDC?

- Negotiate with the Australian Government to remove the first two categories of the activity test to make long day care more accessible for disadvantaged families

- Start providing a form of supported program for 3-year-olds right now for the 62.8% of 3-year-olds already accessing early learning in a long day care setting while developing a broader plan.
- Speed up the approval process to get additional educator support for special needs children.
- Create specialised hubs of professional support for visits to Long Day Care centres for early detection and treatment for children such as speech pathology, dental, development delay
- Facilitate the availability of early childhood degree teachers. This will be difficult until the availability of ECTs improves. This would be greatly assisted by the introduction of a dedicated birth to 5 degree (Uni of SA) with a separate teachers register which is currently opposed by the TRB. Offer ECT scholarships conditional upon ECT remaining in LDC for an extended period.
- Provide state government subsidy to parents of 3-year-olds attending long day care to reduce their gap fee payments. This would need agreement (already granted to Victoria) with the Australian Government to change their guidelines for gap fee payments after payment of childcare subsidy. Subsidising the gap will assist affordability for parents particularly those from lower socioeconomic backgrounds.
- **Introduction of 3-year-old Preschool In Long Day Care**
 - The retention of 3–5-year-olds in Long Day Care is a vital element in Long Day Care Centres being able to survive financially and provide care for children enabling parents to work.
 - LDC centres are already set up for 3-year-olds with 62.8% of 3-year-olds already attending.
 - Specialised appropriate high quality education programs are in place based on the National Curriculum and the Early Years Learning Framework.
 - Age-appropriate developmental care is provided including nappy changing, sleep facilities and nutritious meals.
 - Many centres already have two ECTs to help deliver the educational program to 3-year-olds.
 - The infrastructure is already in place with purpose-built facilities that meet the high National Regulatory Framework requirements,
 - Thus avoiding any cost impost for South Australian taxpayers in setting up new government pre-school facilities for 3-year-olds & avoiding duplication of infrastructure.
 - The State Government could work closely with the early childhood long day care sector to almost immediately put in place a program with a direct reduction of out-of-pocket costs for parents of 15 hours a week for 40 weeks at an annual cost of \$2,000 per child payable to parents through credits to the LDC gap fees.
 - In addition, there will be costs for long day care centres to set up and run the 3-year-old program and these are beyond the \$2,000 supplement to be paid to parents to reduce the gap fees. We will need to investigate these additional costs with the long day care sector to provide some compensatory funding.
 - Early learning in LDC centres is wrap around and available 12 hours a day care to provide continuity of care in a safe developmentally appropriate environment while parents work, without further expenditure by government. On the other hand, OSCH in schools is not designed to cater for children 3 years of age. Their facilities and operating model are not appropriately set up to cater for the development age and stage of children who have just turned 3 years old. OSCH would not adequately cater for the possible sleep, nappy changing, toileting age-appropriate play areas that this age child requires. The Educator ratio and qualifications are not necessarily appropriate and the part time and casual nature of the OSCH sector employment systems can make consistency of educators for primary care giving

and secure attachments for 3-year-olds problematical. The programming and staff are based on a recreation program rather than wholistic early learning and care of 3-year-old children.

- **Victorian 3-year-old Kinder Guidelines 2023**

- Almost all of the 3-year-old pre-school program is planned to be delivered through long day care.
- Free kinder available for 3- & 4-year-olds in LDC from 2023 for 2 years access for every child
- Communication materials for parents are provided to promote plus resources.
- Sessional - 15-hour free kindy program for 4-year-olds & 5 to 15 hour 3 year olds for kindy
- Offset for parent's gap fees is provided by the State Government for the funded kindy program for 3- & 4-year-olds at Long Day Care
- LDC centres must opt into the program and accept the terms to receive funding for all 3 & 4 year old children enrolled.
- Children can only receive funding at one service and parent must nominate which service.
- Funding is paid direct to the service for crediting to parent LDC gap fees, not paid directly to the families.
- Funding for 15 hours when CCS is received is \$2,000 per enrolled child.
- Three-year-olds of less than 15 hours receive pro-rata amount.
- These funds are to cover the parent fee component for kindergarten.
- Pro-rata payments: 5 hours \$667, 7.5 hours \$1,000, 10 hours \$1,333, 15 hours \$2,000
- The \$2000 is applied against the gap fee only for the full 15 hours program. Broadly it equates to \$50 per week to contribute to a child's gap fee across 40 weeks per year (school terms). To access 15 hours children generally need to be enrolled for two days per week. Must be reflected on parent invoice statements.
- Any enrolment deposit to reserve a place must be refunded to parents at commencement.
- Any surplus funding (unlikely) must be used to improve quality and family engagement.
- Victorian Govt has negotiated with Commonwealth to enable kindy payments to be applied against gap fees to families.
- Families must be kept fully informed and assured that their CCS entitlement will not be impacted.
- If a child is relocated to another centre during the year, the kinder payments will move with them.
- All eligible children at the service must be enrolled in the Early Start Kindergarten program at the service.

ACA SA will Play a Constructive Role

Australian Childcare Alliance SA wish to work closely and constructively with the SA Government in the roll out of the 3-year-old pre-school program.

We are ready to provide an enhanced 3-year-old preschool program almost immediately, building on the existing early learning program already being provided to 62.8% of 3 year olds in SA long day care centres.

LDC centres are heavily reliant on maintaining and increasing 3-year-old enrolments and cross subsidising the cost of care for under 3 year olds where the mandated educator to child ratios are much higher.

It is critical to LDC viability that the 3-year-old pre-school program be delivered in a LDC environment where ideal conditions for this age group are already in place.